

perfect solution to the state's tax problems. Obviously that's not the case. As one of the sponsors to that bill, I will admit that. 1063 is the product of a lot of pushing, pulling, a lot of divergent viewpoints, compromises, people digging in their heels, solving a problem, problems are created, we fashion a proposal to solve those problems. It may not be a pretty picture at this point. I point out that at some of the changes that have been made in 1063 though, some of the very things that are being criticized. I guess what I hear as the most common criticism of 1063 at this point is on the depreciation methodology of valuation. Back up, back up a few months. Where did that idea come from? That idea came from the rural sector. It was not my proposal, it was not anybody's proposal on the committee. It came from the rural sector. We get...admittedly, we heard at the 3-R hearings, don't tax personal property, but a lot of them then followed up and said, but if you do, do it on a fair basis, do it on property across the board and use a depreciation methodology. The specific proposal was one Senator Lamb brought to us. Now before Senator Lamb gets all upset about me pointing that out, let me make it perfectly clear he did indicate that that was part of a package and he made it very clear that that would be a piece of a puzzle and the other pieces had to be in place. The other pieces are not in place. Senator Lamb does not support it. But the idea of using the federal depreciation charts was one that was proposed initially to the 3-R Committee by Senator Lamb. It was accepted as a way of maybe moving more toward the middle ground trying to find this elusive approach where those on one side who vehemently believe that we ought to tax as much property out there as we can to broaden the base versus those who think we ought never to tax personal property, maybe can somehow find a middle ground. It's obvious we have failed. 1063 is not a middle ground but I would submit, given all of the elements we've had before us, it's as good as we can get. Right now the focus is on the warts in 1063 and that's appropriate. 1063 is before us, 1120 was before us last week, but let's compare them for a second. What's the state of LB 1120 at this point? It's an approach that we've had some votes to exempt property, but we've never been able to fashion 25 votes for replacement revenue.

PRESIDENT MOUL: One minute.

SENATOR WITHEM: It's a bill that is sitting there on General File with a .78 million gap in it with no particular consensus on how or if that gap should be closed. We now have